



A MONTHLY ELECTRONIC NEWSLETTER TO THE 41ST ASSEMBLY DISTRICT
(Including Agoura, Agoura Hills, Calabasas, Encino, Hidden Hills, Lake Sherwood, Malibu, Oak Park, Pacific Palisades, Port Hueneme, South Oxnard, Santa Monica, Tarzana, Topanga, Westlake Village, and Woodland Hills)

MAY 2007

Governor's New Budget Called "Over Optimistic." Hits the Most Vulnerable.

On May 14, Governor Schwarzenegger released his May Revision to the initial budget he sent to the Legislature in January. Since January, the outlook has worsened by more than \$2 billion in higher costs and lower revenues, for which the Governor has proposed certain solutions.

One of the most reliable and respected analyses of the budget comes from Elizabeth Hill, head of the state's nonpartisan Legislative Analyst's Office (LAO). She has released her initial assessment of the Governor's proposals, which includes "Key Considerations for the Legislature." Below are selected comments by the LAO. The entire 23-page report can be found on their website at www.lao.ca.gov.

RESERVE LIKELY OVERSTATED BY \$1.7 BILLION

"In February, we identified a number of assumptions in the Governor's January budget that were overly optimistic. Since then, the administration has modified several of these assumptions, including ... reducing its tribal gambling revenue estimate by almost \$200 million. Despite these positive changes, the May Revision continues to rely on a number of optimistic assumptions from its January proposal, and adds a number of new ones. As a result, we estimate that the May Revision overstates the state's General Fund reserve at the end of 2007-08 by almost \$1.7 billion."

Breakdown below:

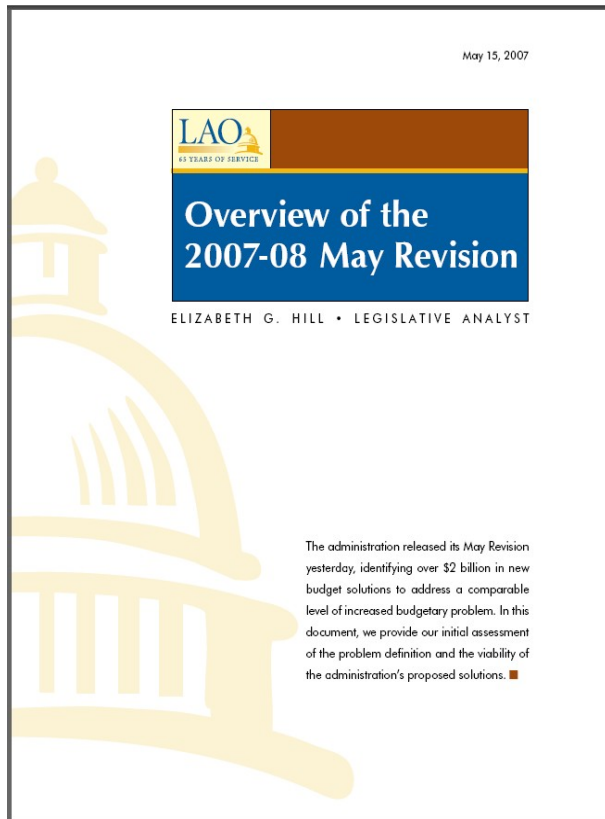
- \$830 million of public transportation revenues would be moved to the General Fund to reimburse the Home-to-School Prop. 98 guarantee. The LAO calls this proposal "unworkable" and finds that it is being counted "simultaneously toward two separate and mutually exclusive legal spending requirements."
- \$330 million is not included, but would be needed, to pay for the Governor's proposed new contract offer to correctional officers.
- \$190 million is overestimated property tax revenues.
- \$184 million is "overly optimistic" estimated tribal gambling revenue.
- \$146 million is assumed savings from reductions to departmental appropriations, but that the LAO's recent experience leads her to believe "are either double-counted or lead to future departmental budgetary shortfalls."

LNG PROJECT VETOED. "DEAD IN THE WATER!"

After four years of effort on the part of BHP Billiton, an Australian mega-mining giant and their multi-million dollar lobbying effort on the Governor, on May 18, he vetoed their application to moor a massive LNG floating platform offshore from Malibu and South Oxnard. This effectively kills this misplaced and risky project. Mega-thanks to the community activists who held tough and worked so hard for so long to reach this great victory!

\$366 MILLION ERROR

There is also a \$366 million technical error in the Governor's proposed budget based on attendance-related K-14 costs that were not carried forward into 2007-08. The LAO believes that correcting this error would involve: (1) making reductions to Proposition 98 spending of a comparable amount to stay at the minimum guarantee, (2) using special fund or one-time Proposition 98 monies to increase K-14 funding while still staying at the minimum guarantee, or (3) identifying other General Fund monies and appropriating above the guarantee.



PRIVATIZING STATE'S LOAN GUARANTY AGENCY

Under federally-guaranteed loan programs, states are required to designate an agency to guarantee repayment of student loans from private lenders. In California, the EdFund, a nonprofit public benefit corporation, performs that function and generates annual revenue for the California Student Aid Commission. The Governor proposes to sell EdFund for an estimated \$1 billion. The LAO believes that this merits consideration, but advises the Legislature to be cautious in looking at trading ongoing revenue for a one-time payment, and to review the impact on student loan choices.

INCREASING PAYMENTS TO WALL STREET...AT WHAT PRICE?

Although the state is obligated to make annual repayments of \$1.5 billion for the deficit-financing bonds that were used in prior years to help balance the budget, the Governor proposes an additional \$1.6 billion payment to pay off those bonds sooner than scheduled. "With the nearer-term outlook worsening," the LAO concludes, "we question the wisdom of these payments at this time."

I am seriously concerned that such a windfall double payment to Wall Street would come at a very high price, to be paid by some of the most vulnerable people in our state.

Offsetting cuts by the Governor include:

- Repeal of the *Teacher Tax Credit* which allows teachers to be reimbursed for expenses they incur out-of-pocket for classroom supplies and other items not provided by their schools.
- Retention of fee increases on CSU and UC students of 10% and 7%, respectively.
- Suspension of the SSI/SSP cost of living adjustment in cash assistance to eligible aged, blind, and disabled persons.
- Reduction of public transportation funding for Regional Centers which serve the developmentally disabled.
- Freezing wages for *In-Home Supportive Services* workers who care for low-income elderly and disabled people in their own homes, thus keeping them out of much more expensive nursing and care facilities.

LAO WARNS PROCEEDING WITH CAUTION

The LAO concludes with a warning to the Legislature to "approach its budget planning without counting on the [overly optimistic reserve] amounts scored by the administration," and to be mindful of what she estimates will be a \$5 billion operating shortfall in 2008-09 if all of the Governor's proposals were adopted.



King Gillette Ranch Ready Sooner than Expected

Purchase of the very beautiful 588-acre King Gillette Ranch, acquired in 2005 as permanent public parkland with a pooling of funds from several public park agencies and private donors, was subject to an agreement with Soka University, the seller, to allow them to graduate their final class and to lease back the property through 2007.

The property has passed through the hands of many interesting owners. Razor baron King Gillette bought the property in 1926, commissioning famous L.A. architect Wallace Neff to build him a “paradise on earth.” MGM movie director Clarence Brown (*Anna Karenina*, *National Velvet*) bought it from Gillette in 1930, and later sold it to comedian Bob Hope, who donated it to the Claretian Order of the Catholic Church. In 1978, Elizabeth Clare Prophet’s Church Universal and Triumphant bought the land, and ultimately sold it to Soka University of America in 1986.

In a happy surprise, Soka has given notice that they will be leaving no later than June 29. Voter-approved park bond funds are already being assembled to make the capital improvements needed to get it ready for public use as quickly as possible.

Located in the heart of the Santa Monicas, and now bearing its historic name of King Gillette Ranch, this is a true treasure, with trailheads, grand vistas, historic buildings for park offices, rolling lawns, and even a swan lake, among much more. King Gillette Ranch is a long-anticipated addition to the Santa Monica Mountains recreational experience.

AB 629 – Sexual Health Accountability Act

According to a recent report by the *Public Health Institute*, California has reduced its teen birth rate by 35% since 1999. This is the greatest reduction of all the states in the nation, so there is certainly some good news on the sex education and pregnancy prevention front.

There is still much to be done, however. Before being elected to the Assembly, I was a 12-year member of the Santa Monica-Malibu school board. I am very concerned that we protect our teenage daughters, and insure the quality of the state-funded or state-administered sex education programs available to them. A recent analysis has found that scarce state dollars are funding programs and activities that do not meet the basic common sense guidelines that our public schools must follow. This is why I introduced AB 629.

What will AB 629 do?

It will insure that all taxpayer-funded pregnancy prevention programs meet the same guidelines that we follow in our public schools. The information must be

- ✔ medically accurate,
- ✔ effective,
- ✔ bias-free, and
- ✔ age appropriate.

A new study by the *Public Health Institute* puts to rest any doubts about the depth and breadth of California parent support for sensible and effective sex education. We can now document how robust this support is regardless of location, religion, education, race, political ideology, and a variety of other factors. AB 629 will help provide what nearly 90% of California parents are asking for.

We have an obligation to ensure that our children are making informed decisions when it comes to sex and the very serious consequences of their choices. The *Public Health Institute's* 2006 Spring Update called "No Time for Complacency" identified a long list of negative consequences of teen childbearing. They found that teen mothers tend to exhibit poorer psychological functioning, lower levels of education attainment, more single parenthood, and less stable employment than those with similar backgrounds who postpone having children.

Relative to older mothers, teens tend to have more pregnancy-related problems and less healthy babies. Of all age groups, they are most likely to smoke during their pregnancies. The children of teen mothers are also reported to be more likely to experience abuse and neglect, and are more likely to be placed in foster care.

Proudly, California has never accepted Federal abstinence-only funding, recognizing that abstinence-only programs do not reduce unintended pregnancies or sexually transmitted diseases, while comprehensive programs that include information on both contraception and abstinence are effective. Prevention and education are the keys.

Included among the many supporters of AB 629 are Planned Parenthood, AFSCME, ACLU, the American Association of University Women, California Latinas for Reproductive Justice, California Medical Association, and California Nurses Association.

April Was Autism Awareness Month

Did you know...

- That autism is estimated to affect as many as 1 in every 150 children?
- That a child is diagnosed with autism every 20 minutes?
- That although a significant number of symptoms of autism are present by 18 months of age or even earlier, children are typically not diagnosed until 3 to 4 years of age or even later?

I was honored to be able to join Senator Darrell Steinberg and L.A. City Councilmember Wendy Gruel on April 13 at a reception to recognize the important work being done by The Help Group on autism and with children who have special needs related to autism, including Asperger's disorder, learning disabilities, attention deficit/hyperactivity disorder, mental retardation, abuse and emotional problems.



Assemblywoman Brownley, Senator Burton, Stanley Zax, Senator Darrell Steinberg

Photo courtesy of The Help Group

Having served on the Santa Monica/Malibu School Board for 12 years, I am very familiar with the challenges that school districts and families alike face with regard to early diagnosis and effective treatment of autism.

I look forward to receiving the Blue Ribbon Advisory Committee's recommendations on the most effective strategies to serve children with autism, and being a part of the solution.

Congratulations to retired State Senator John Burton, Coffee Bean & Tea Leaf, and Gelson's Market, who received special recognitions for their steadfast support of legislation and programs for early diagnosis and treatment of autism.

District Court Says SSFL Cleanup Violates NEPA

For many years, the U.S. Environmental Protection Agency (USEPA) was overseeing the cleanup plan for the Department of Energy's (DOE) roughly 290 acres at the Santa Susana Field Laboratory. Decades of rocket engine testing by Rocketdyne (subsequently purchased by the Boeing Company) has left the DOE's portions of the site at Area IV significantly contaminated with radioactive waste. Cleanup of the chemical contaminants on the balance of the 2,900-acre site is under the jurisdiction of the state Department of Toxic Substances Control (DTSC).

Through the 1990s, USEPA indicated their intent to hold the DOE to a very high standard of cleanup of the radioactive contaminants. Unfortunately, they flipped right after President Bush was elected, and the DOE began to back off their commitments, indicating that they would not prepare an Environmental Impact Statement (EIS) to assess the cleanup plan and mitigate the impacts. Instead, they would issue a "Finding of No Significant Impacts" (FONSI). They began to rely heavily on the surveys and testing done by Rocketdyne, the polluter. When the 2002 Draft Environmental Assessment was released by the DOE, it revealed that **98% of the radioactive contamination would be left behind** under their plan. A lawsuit immediately followed against the DOE in the U.S. District Court.

On March 2, 2007, the Court issued a scathing opinion, concluding that the DOE's decision to proceed via a FONSI rather than prepare an EIS was in violation of the National Environmental Policy Act (NEPA). NEPA requires Federal agencies to "integrate environmental values into their decision making processes by considering the environmental impacts of their proposed actions and reasonable alternatives to those actions."

The Court found "overwhelming support for Plaintiffs' argument that the DOE's decision to prepare a FONSI...rather than prepare an EIS, is in violation of NEPA." The Court went on to call the DOE's FONSI decision "a clear error of judgment," some of the DOE's arguments "laughable," and the survey done by Rocketdyne, on which most of the soil radioactivity information relied, "riddled with problems."

And with Boeing reportedly anxious to sell this contaminated site for unrestricted development, which could include new homes, the Court permanently enjoined the DOE from transferring any portion of Area IV pending completion of an Environmental Impact Statement and until the Court "is satisfied that the DOE has met its legal obligations as they relate to the remediation of Area IV."

These are very important actions by the U.S. District Court, but only apply to the approximately 10% of the site that is under Federal jurisdiction. As for the remainder of the site and the chemical contamination, I will be monitoring the California Department of Toxic Substances Control to insure that the chemical contaminants are cleaned up to the very highest standard to protect the public health and safety.

Given that the dreadful environmental history of this site includes a nuclear reactor meltdown and shockingly reckless disposal of both radioactive and chemical waste, plus considerable anecdotal evidence of cancer clusters in nearby neighborhoods, nothing less than the highest EPA cleanup standard is acceptable.

An electronic copy of the full Court opinion is available on request to my District Office.

Were you lobbied on expanded Indian gaming?

Voters in the 41st AD are being contacted by mail and by recorded “robo call” messages, and asked to phone my District Office to urge my support of AB 266. Many are confused by the way the mailers and calls are worded, and believe that those solicitations are being generated by me. This is to clarify that the campaign has no connection whatsoever to me, nor has the bill even been assigned to an Assembly committee for a vote. It is a massive lobbying effort by the Indian gambling proponents of the bill.

AB 266 is one of the pieces of legislation that would ratify an amendment to a gaming compact between the State of California and five Riverside County Indian tribes that operate casinos. AB 266 represents an agreement that was negotiated and signed by Governor Schwarzenegger last August, but that is subject to ratification by the Legislature. The Senate has already acted and each of their bills have passed.

The five tribes would be allowed to expand their activities up to 22,500 new slot machines. The state would receive revenue from the gambling activities, but the amount is as yet uncertain (as discussed in the **Budget** story, above), and with needed oversight and procedures for the accounting of any such revenues still unsettled. The bill does not provide any provisions for labor negotiations or agreements in the event that workers should choose to organize.

In terms of the local impacts of the casino expansions, “in deference to tribal sovereignty,” AB 266 would exempt from review under the California Environmental Quality Act (CEQA) any agreement between a tribe and Caltrans, between a tribe and a county or city government, and any on-reservation impacts of compliance with the terms of the compact. As I understand it, this would mean exemption from CEQA review of all traffic impacts from the expansion, exemption from the application of local zoning or planning policies, and exemption from CEQA review of any adverse impacts on air and water quality resulting from the expansion.

This is a very complex issue, and one which I will be considering with great care.

Committee and Legislative Appointments

Chair, Assembly Budget Subcommittee #2 on Education

**Aging and Long-Term Care
Budget**

**Budget Subcommittee #3 on Resources
Education**

Natural Resources

Joint Legislative Budget Committee

Select Committee on Community Colleges

Legislative Liaison, Santa Monica Bay Restoration Commission

Legislative Participant, Santa Monica Mountains Conservancy

California Commission on the Status of Women

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